

# THE PUBLIC RELATIONS JOURNAL

OF THE PUBLIC RELATIONS  
SOCIETY OF AMERICA



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## BUSINESS AND PEOPLE

By KEITH S. McHUGH

## THERE'S A PRICE TAG ON HUMAN LIBERTY

By L. ROHE WALTER

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VOLUME 4  
J U N E - J U L Y

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1948

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## THE PUBLIC RELATIONS JOURNAL

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# PR JOURNAL

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JUNE-JULY, 1948

## PROGRESS REPORT

By W. HOWARD CHASE

Chairman, Executive Committee, Public Relations Society of America

THIS is the first time it has been possible to review broadly the activities of PRSA during its first three months, to get a real perspective of its progress and to point confidently to the organizational phase of our profession's future.

It is with deep satisfaction that the Executive Committee announces the appointment of Virgil L. Rankin as executive director of PRSA. Familiar to most of us through his long and devoted service to the field of public relations as director and later president of the American Council on Public Relations, as first president of PRSA, and as co-founder and current editor of THE PUBLIC RELATIONS JOURNAL, Mr. Rankin has agreed to leave his consulting work in San Francisco. On June 9, he assumed the responsibilities of his post at New York headquarters. The whole profession is fortunate in obtaining Mr. Rankin's service during the basic period in the Society's development.

One of Mr. Rankin's early moves will be the consolidation of the San Francisco and New York offices. This move will increase the efficiency of service to mem-

bers everywhere and effect certain economies necessary in view of the budgetary problem in these early stages. Present and future PRSA members will be pleased to know that this consolidation is being made in a spirit of complete harmony and cooperation.

The officers and members of the Board of Directors reaffirm that they fully realize the tentative nature of their appointments. They feel a sense of responsibility to base PRSA soundly during this interim period and are aware that the entire program will be subject to a thorough review at the first annual meeting in Chicago, tentatively set for November 16, 17 and 18. Bill Harshe of Chicago and his committee, representing, as do all the committees, a geographical cross-section, have been actively at work for some weeks on the Annual Meeting program and arrangements.

The keen awareness that all of us have for re-examination and revision of the bylaws has resulted in the organization of a Committee on Bylaws, headed by Homer N. Calver of New York and including the incorporators of the Society

representing both predecessor groups. There will be an opportunity to discuss these bylaws fully at the Annual Meeting. They have already been made available to members in the March issue of the JOURNAL.

The Executive Committee is also pleased to announce that W. Calvin Patterson of Detroit has accepted the chairmanship of the Committee on Chapters, one of the major single responsibilities in the association. Now in the process of appointment, the committee will, among other duties, work out a long-range policy on chapters, assist in the consolidation of existing chapters of the two predecessor groups, and advise in the establishment of new chapters. Inquiries have been coming into headquarters regarding the establishment of chapters in Pittsburgh, Boston, Washington and Louisville, as well as in Canada and overseas.

Headquarters has been receiving applications for membership, and the Committee on Eligibility, headed by Marvin Murphy of New York, was among the first to begin operations. Pending a formal membership drive, which will be headed by Mrs. Hazel Ferguson of Chicago, members are requested to be on the lookout for qualified applicants in the various classifications.

Over and above the services provided by individual chapters, the Society is planning for careful expansion of benefits to members. PRSA can be the instrument through which public relations achieves sound professional status, dignity, and unity. Each of us in the field realizes the personal value of this goal and our own

responsibility in working toward it. Thus, when a member pays his dues he is acknowledging his responsibility to the profession. He is at the same time making it possible for PRSA to furnish specific services in return—better information about Society activities, program help to chapters, increase in public relations prestige through national organization activities, improvement of the existing JOURNAL, encouragement of sound curricula in public relations for schools and colleges, and others.

The work of the Committee on Professional Standards is just one example. Again and again, there have been demands for a written code of standards, but none commanding wide acceptance has yet emerged. This is a controversial field, but one of great importance to a profession. As in other areas of public relations significance, the Society will act in members' interest.

The Educational Committee activity was reported last month. The committee is moving forward toward crystallization of its program and plans for its achievement.

The test of leadership is its capacity to lead. Full devotion of the one thousand leaders in public relations who are charter members of PRSA to the cause of professional status is needed now in support of Virgil Rankin. He represents both the altruistic and the self-interests of each of us.

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EDITOR'S NOTE: The entire list of committee chairmen and committee members will be published in the next issue of the JOURNAL.

# Business and People

By

KEITH S. McHUGH

WHOEVER first put the two words public relations together hatched up quite a bit of trouble, because ever since then people have been trying to explain what the words mean. Each of you probably has his own idea, but I get the most help from thinking that public relations means simply the kind of relations a business has with people, and what you do to try to make them as good as you can. It's the same for companies as it is for individuals—you'll be liked more, or less, according to the way you act and the way you talk. The only difference is that a company has more chances to make mistakes, and the bigger the company the easier it is for people to have their doubts about you. The reasons for this have probably already occurred to you but they may bear a few minutes' discussion again.

If you don't mind one personal recollection, I think it will help to bring out how the problem gets bigger as the organization increases in size. I was raised in a small town in Colorado and as soon as I was old enough I used to work after school and during vacations. At one time or another I worked for quite a few different people. But in every case, the man I worked for was the boss. He didn't have a boss himself who reported to someone else who had still another boss farther up the line. My boss was always president, secretary, treasurer, general sales manager and everything else. He had no labor relations except with me and maybe a few other

people who were working for him too. He never heard of public relations, but with no organization except one or two or three hired hands whom he could keep an eye on directly, he had the full responsibility and at the same time the full opportunity to deal face to face with every one of his customers, every supplier from whom he bought his merchandise, and every other person with whom his business had dealings.

Maybe he didn't do a perfect job, but he had every chance personally to make the most of every occasion. He got to know in a very exact way just what his customers liked and didn't like, because they kept telling him to his face. Also, he learned at first hand that what people thought of his business depended a lot more on what he did than on the way he talked, and that he couldn't say one thing and do another and get by with it for long. In short, he was in a position to acquire from the ups and downs of everyday experience a lively and immediate sense of the things that public relations vice presidents nowadays make speeches about. What's more, nobody who came in with a complaint ever got lost in the wrong department.

## Small Business has Some Advantages

Obviously I'm not going to say that a business will have good public relations just because it is small. But the man who is running a small business gets a wonderful head start—if he wants to make the most of it—from being continuously and directly exposed to the experience of having to get along with the people who make up his particular public.

He has another advantage too. People are not suspicious of him just on account

KEITH S. McHUGH is Vice President, American Telephone and Telegraph Company. "Business and People" was an address before the Minnesota Employers' Association earlier this year.

of his size. It's the most natural thing in the world for human beings to be wary when anything begins to look too big. Primitive people stand in awe of mountains. The man who has never seen an elephant is inclined to be cautious when he first meets one. He would be foolish if he weren't. In much the same way, the public becomes wary as the size of a business increases, and this in itself tends to give a big company certain public relations problems on top of those that it shares with all business.

### **Free Business and Free Opinion**

But the growth of big companies is not the only reason why business in general has become thoughtful about public relations. We are getting to be more aware of what has always been true—that in a country like ours where opinion has the freedom that we also want for business, the freedom of business is dependent on the freedom of opinion. To say this is also to say that business will have freedom only where opinion has power; for if opinion ever loses its power it will be because it is no longer free, in which case business will be captive also.

So if business wants freedom, it must expect that its limits will be defined by the public's judgment. It seems to me well for any business to remember this and take comfort from it, particularly when the public takes a different view of what it wants from what the business thinks it ought to want. On these occasions, no less than on others, the public is the boss and we shall be wise to recognize the fact, reflecting the while that if the public lost its power over us, we would still be the losers anyway. I offer this as a consoling thought against the day when the public, which is moved by emotion as well as by reason, in seeking to protect its own interest does something to injure your capacity to serve it.

Yet injurious action is, after all, a thing we are anxious to avoid. What then shall we do? The first half of the logic of the

matter, in the view I have given you, is that it is desirable for any business to recognize that it ought to depend on the public's judgment. The second half is that it is desirable for the public—from its own standpoint—to give business the freedom it needs to serve people well.

If this reasoning is sound then it seems to me that two things follow:

First, business and the public must understand each other; if we are going to depend on the public's opinion, we must give the public enough knowledge about us to reach accurate conclusions, and we must also obtain a fair understanding ourselves as to how the public thinks, and what it is likely to think about anything we do.

### **Doing What People Like**

Second, in addition to obtaining understanding, a business must do the things the public likes. But no business can do this unless it likes the public—that is, unless it sincerely wants to serve the public well. I know I am dealing in the obvious, but the obvious is fundamental and cannot be ignored. Doing what people like every time we have the chance is the foundation of good public relations and we cannot shut our eyes to it. Also, since any business knows that there are times when it cannot do what the public likes, it has all the more reason to do everything it can whenever it can.

Size, as I have said, is something of a handicap in making yourself liked, because of the human tendency—and also the ingrained American tradition—to be suspicious of size. Further, as an organization grows the mileage within it increases and top management is likely to disappear over the horizon from the places where the public is expressing its moods. But these handicaps only mean that more must be done to overcome them. How to begin?

### **Simple—But They Take Work!**

A good beginning, it seems to me, is

not to forget the simple things we would never have a chance to forget if each one of us—like my old bosses in Colorado—were the whole works in his own enterprise. You know as well as I do what some of these things are:

Putting yourself in the customer's place.

Telling why you take any particular action.

Giving reasons when you give answers.

Really exerting yourself to meet the customers' wishes.

Meeting the commitments you make.

Dealing sympathetically with complaints.

Not pushing a customer around from one person in the organization to another.

Regarding each person you are dealing with as an individual.

Remembering that employees are people.

Being courteous and polite out of sincere friendliness.

Being good citizens and good neighbors in the towns where you live.

These are some of them.

Yet simple as these things sound, for some reason no business can do them without continuous, conscious, directed effort. It takes time, effort and money to put them over and make them really live. It takes preaching and it takes example. And it must start at the top.

Courtesy is no substitute for efficiency. But it takes nothing away from it, and it can add enormously to it. Everybody likes to be treated politely and as an individual. Moreover, people who exercise courtesy find that they enjoy it. It is such a mighty asset—this thing in human nature that makes it possible for a business to render service that is genuinely friendly. A considerate, courteous, friendly attitude really can become part of a person's nature, inwardly felt as well as outwardly expressed. It may often need to be taught, but that does not mean that it need ever be unreal. In our own business we speak of the "extra" courtesies that

may be rendered; I think that means extra in the sense of possibly going beyond the immediate expectation of the customer, but not in the sense of tacking on an artificial frill.

### **Treating People As Individuals**

I doubt if any sizeable business has yet gained—I don't mean just for itself, but for employees and customers as well—all the advantages that come out of thoughtful and considerate attention to the particular personal problems and needs of individual customers. The plain fact is that the "little things" are not really little things at all. They are tremendous. If we allow them to become little, that will only be because our perspective on them is not as good as the customer's. Moreover, they are not little to the employee who performs them any more than they are to the person for whom they are performed. The employee wants it realized, and it should be made known to him that it is realized, that in doing the great big little things well he is making the most of his job. I don't think we can ever afford to forget that the more any business does to treat everybody it deals with as an individual, the more it will inevitably and at the same time be treating each employee as an individual. There are many reasons for this, but consider only one—no employee can treat a customer as a real individual unless he knows and understands the company's policies. He in turn must have been treated as an individual to have this understanding.

The establishment of standards, and regular measurement against them, can contribute to the considerate and friendly treatment of individual customers, in basically the same way that they are used to reduce errors and improve the more routine features of overall performance. It is not much harder to know whether employees are courteous than it is to know whether they come to work on time. What is more, the men and women who are working at a job like to know that per-

formance is measured against human and not merely mechanical standards. The gains that may be accrued from this kind of management will be real and not artificial. They can become a genuine part of the character of the organization and the people in it.

### "Overtones"

In our business we use the phrase "overtones of service" to try to describe some of the attributes I have been talking about. To the public it will make no sense—and I don't see how it could—if the individual overtones which a customer may hear in the words and actions of an employee, and which are encouraged by management, are not matched by what I might call the "overtones of corporate acts" for which the management is directly responsible. An example will illustrate what I mean.

A while ago a woman came to one of our business offices to pay her bill. She explained to the cashier that she was a bit late in paying because her little girl had been sick and she didn't want to leave her alone. However she hadn't wanted to put off paying the bill any longer so she had finally decided to leave the house for an hour or so and come down to our office.

The cashier said she was sorry, thanked the customer for the payment and for the trouble she had gone to, and expressed the hope that her daughter would soon be well again. Later, after she thought the woman had had time to get home, the cashier called her to ask whether everything was all right. I think that was a nice thing to do, and I imagine you do too. But if you think so, what do you suppose our customer thought of it! She was quite overwhelmed and said so. She thought the company was tops. And her whole picture of us was created by one simple friendly act.

When an employee has so effectively created so favorable an impression, it would seem a pity for the management to nullify the gain by handling some cor-

porate matter in a tactless or inconsiderate way. What would this customer have thought, for example, if she had looked in the newspaper after talking with our friendly cashier and seen something about the telephone company that made us seem mulish, thoughtless, arrogant, or all three? How could she reconcile two such different ideas? Obviously she couldn't.

Now I would like to say just a little about the other side of the relationship between business and people—the spreading of knowledge and understanding.

To the man who is running his own business every part of what he is doing is mighty important. None of the parts get any less important when somebody else is doing them for him. Also, the man who is running his own business has all the knowledge about it that there is. He may not have enough knowledge to make a success of it, to be sure, but everything there is, he has. That stops being so when he gets to be a corporation with a lot of employees. The corporation has a policy—but how much do the employees know about it? The employees know a lot about what the customers and the public think—but how much of what they know does the corporation know?

To come anywhere near matching the efficiency of a one-man business in these respects, there must be ample communication and it must be two-way. As a part of it, aside from the technical knowledge and training that employees need to perform their particular jobs, it seems to me that all the men and women in a company ought to have at least enough information about the organization, policies, objectives and problems of the business to understand the general functioning of the organism of which they are a part. If the people who are in business do not understand what it is all about, it is hard to see how the public can be expected to understand it.

After what a company does, and what the employees know and think about it, probably next in importance in contrib-

ting to the public's state of mind is what the business says about itself. Some companies say very little, I imagine pretty much on the theory that what they are doing speaks for itself. Perhaps so, but I would prefer not to take that chance. Our own feeling as a public service organization is something like this:

The public is our big boss and there is no question whatever that public opinion controls our enterprise. It's our job and responsibility to give the best telephone service we can and we have pledged ourselves to do that. We don't believe, however, that the public should be left unaware of what is entailed in the job entrusted to us. We think we ought to tell the story candidly, completely and continuously. Public opinion may sometimes be fractious, and sometimes slow in coming to a fair conclusion, but given the facts it can be trusted to come up eventually with sensible answers. If the facts are not known, however, you couldn't really blame the average American for thinking that we might give better telephone service than we do if we used baling wire for circuits and charged half the price.

An important part of our point of view is that the public in the first place is entitled to know whatever it wants to know about us. Should we just answer questions, then, and stop there? Well, no—for the reason that while a lot of people are in fact interested enough to ask us a lot of questions, usually the first thought of most Americans each morning is not to wonder how the telephone company is getting along. They're more likely to be interested in the weather and where their rubbers are if it's raining. To get understanding, it is up to us to spread knowledge of the facts about the business. This we do out of the conviction, and on the basis of a great deal of evidence, that more public knowledge makes for more and better telephone service.

My main reason for mentioning some of our own ideas about informing the pub-

lic is to point out that we have thought it right to stay on our own track with our own story about our own business—the only field in which we are entitled to be considered expert. It seems to me that the more this is done by business, the better will be the evidence presented to the public as a whole and the better informed American public opinion will be.

Another thing that seems to me important in thinking about public opinion and public relations is the idea of continuity. Winds of opinion are always changing, just as a customer can come into a store one morning as sweet as pie and be back in a fret in an hour. As public wishes and views change—as they will, for example, with changes in economic and social conditions—business must constantly face new problems and be alert to meet them. Yet a business which has developed out of experience a sound fundamental policy is likely to be better able to cope with change than one that has not. Such a policy necessarily is one that recognizes the likelihood of change and allows for it. Indeed, it demands that the business keep changing on its own initiative, preferably ahead of the public. It asks for continuous, objective self-criticism and expects that habits will not be allowed to harden.

This kind of policy also contemplates that things which are important in the long run—including the things that help toward improving public relations—will not be tossed overboard to meet the exigencies of the moment, will not be jettisoned for opportunism.

### Good Citizenship

Most of what I have been saying has been about customers and employees. But all the people you have public relations with aren't customers. Every place where you operate or which your business touches is full of people who have ideas about you simply as citizens, and one of the things they get opinions about is what kind of citizen you are.

With every employee a citizen too, the character of his citizenship reflects yours, and the community's idea of the quality of your citizenship is pretty largely conditioned by how it regards him. This subject has many aspects but I will mention only one. That is the question of encouraging local management to look on good citizenship as a natural part of their job responsibility. No community will regard an organization as a part of the community unless the organization shows that it wants to take its fair part in local affairs. The people of the community have two bases for judgment—first, the company's own behavior as a citizen, as made manifest by its local representatives; and second, the things which the company's local representatives do as individual citizens themselves. Mere location is not enough. It is quite possible to be located in Blankville for a hundred years and still be an outsider; but for the concern that is really in quest of good public relations, to remain an outsider is the last thing in the world that it wants.

Of course, asking local management to make you a good citizen in Blankville also means giving local management the authority it needs. Responsibility must be decentralized in fact as well as in theory. The people to whom you give the job of winning respect and liking for your organization as a good citizen cannot win such respect if it is apparent that they cannot act without approval from somebody else two hundred miles away. To be sure, there must be continuous communication within the organization, but this ought to be for the purpose of equipping people to carry out their jobs, not for the purpose of preventing them.

This idea of good citizenship embraces so many of the things that make for good public relations that I should like to keep

it particularly before you in closing. Just consider some of the attributes of the person who most quickly comes to your mind as a good citizen. He's a good neighbor, to begin with—friendly, thoughtful of the wishes of others, and glad to lend a hand whenever he can help. He speaks his mind on community affairs but before he does so he tries to make sure he knows what he is talking about. And he's ready and willing, too, to take his share of responsibility. He is not a stuffed shirt. Nor is he merely sentimental. After all, he wants his neighbors and fellow citizens to think well of him. He is anxious to enjoy good standing in the community. He wants to earn—and to keep—a good name and reputation.

#### A Personal Matter

The business that is interested in staying in business has some of the same ambitions. It seems to me that a good way to realize them is to exercise some of the same virtues. No doubt you have noticed that thinking in these terms helps to make the whole subject that I have been talking about a personal matter for each of us. When you think of a citizen you think of a person—an individual. In the same way, when you think of a business being a good citizen you have to think of what all the individual people in it—at all levels in the organization—are doing to make it so. To get and keep the kind of reputation that we call for convenience "good public relations," intrinsic quality of product and technical proficiency of service must assuredly come first—but beyond these, the things that each of us can do under the heading of good citizenship, with all that that implies, will largely determine the kind of relations that any business will enjoy with the people who are the public.

# *Companies Are Peculiar Creatures*

By W. P. J. O'MEARA

Assistant Under Secretary of State of Canada, Ottawa

MY TOPIC is expressed in the thesis which I make bold to assert: *Companies Are Peculiar Creatures.*

Now the term "peculiar" might connote two separate and different concepts. I contend that my premise holds true in either case. Companies have qualities which are unique among created entities; also they have attributes which are very odd or strange.

As distinct from other creatures they have perpetual succession, although they are inanimate. Moreover, each is given, at the moment of creation, attributes and purposes each precisely defined, and exercised subject to well defined rules, with strict legal limitations as to what it may and may not do. Yet the company, artificial creature though it is, nevertheless has been recognized as a person both in the French Civil Law and the English Common Law from both of which our respective countries derive our principles of jurisprudence.

Also the Courts have consistently recognized that a company is a legal person, separate and distinct from its shareholders. Yet it is the decisions of those shareholders which determine what the company shall do or refrain from doing in any

given set of circumstances—subject always to the prescriptions of the law under which it is created and through the instrumentality of which it is brought into being. If, pursuant to such decisions of its individual shareholders, the company breaks the law of the land, does damage to the person or property of another, or offends in any of several ways, the separate entity which is the company—the legal person—is punishable by fine, by injunction, by mandamus. It can sue and it can be sued in our Courts. A company can even be criminally liable for wrongdoing of many kinds.

It is a creature of government, an artificial entity, yet a juristic person,—conceived by its promoters, the petitioners for incorporation, yet born of the state through the medium of an official exercising a duty and responsibility vested in him by law and exercisable within the limits set forth by the statute which authorizes the grant of the charter, or patent, or franchise, or whatever may be the local designation of the certificate of incorporation.

Well, if you agree with me that *Companies Are Peculiar Creatures*, you may well ask yourselves what of the consequences thereof.

At this point I would suggest to you a simple analogy. Companies are granted status by the state, by the same authority which confers to natural born newcomers certificates of citizenship or naturalization. In each case privileges are conferred while at the same time duties and responsibilities are imposed. Since all corporations are created by the state, they owe to the state similar qualities to those which we exact from natural persons to whom we grant citizenship.

New citizens may be of three kinds. There are, first, those who selfishly take

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The accompanying article by Mr. O'Meara is from his talk before the Public Relations Retreat of the Dairymen's League Co-operative Association, Inc., Buck Hill Falls, Pa., May 14.

advantage of others and of the privileges which they have received, who indulge in misrepresentations, who evade responsibilities, who yield to bribery and other forms of dishonesty whether within or without strict provisions of the law.

Secondly, there are those who break no laws, but who make no voluntary contribution to community or country, who are, in effect, parasites feeding on but contributing nothing to, rather constituting a detriment to the nation.

And finally, there are those who, as really good citizens, seek to understand others as well as making themselves understood and, as their understanding grows, give more and more of their talents and capacities to cooperation with their fellows. These become the flower of our democracies and deserve our greatest expressions of praise.

We find the same three kinds of companies.

### A Challenge to Democracy

Now our democratic system is being challenged today as selfish, as not helpful to those in need, as being greedily capitalistic. It has been necessary to enact laws to protect society from the lawless category of citizens and corporations alike.

As to the great medium class of indifferent citizens and corporations, it is but fair to admit that we, in your country and mine, won two world wars within a quarter of a century because, under stress of mortal peril, the overwhelming preponderance of both citizens and corporations, during these war years, lined up in category three rather than two.

But just as the conflict between good and evil did not end with the fall of Lucifer and the defeat of his rebel angels, neither did the struggle for the survival of democracy terminate with the fall in 1918 of the Prussian Emperor with the withered arm and the swollen ego, or in 1945 with the craven self-destruction of the Nazi pervert, become Dictator, and the ignominious slaughter of his satellite, the

Fascist Chief, still fluttering in the wake of his master who had once been his pupil.

You know full well that today we still face a persistent threat to the form of government which we free men hold dear. It is my considered opinion that the corporate form of business, evolved, developed and brought to its magnificent fruition under democratic government, embodies at once the most dire danger yet the most heartening hope for the survival of our system of free men, exercising free speech, with the free vote and practicing free enterprise.

Many corporations made magnificent contributions to our successful prosecution of the late war against tyranny and despotism. Like their individual shareholders, and like the millions of us ordinary citizens who gave gladly—eyes perhaps wet with tears but pride swelling in our hearts—our sons and daughters to carry on, in their various uniforms of service, whatever might be their allotted tasks and wherever duty might call them, so, also, many, many of our companies, large and small, turned their resources over to the service of the state—their human as well as their mechanical resources—without which our democracies could not have triumphed. They vindicated their corporate existence; they merited our gratitude and our praise.

### Peace Gives the Real Test

But in all earnestness I suggest to you that the real test of the company, as of the individual citizen, is in ordinary time of peace, in the day to day conduct of affairs, and in the face of day to day temptation, removed from the exhilarating rarified air of patriotic wartime exaltation. Natural persons and juridical persons alike are judged upon the balance struck when their good and their evil deeds are weighed in the scales.

Mussolini did much good for Italy until he forgot the Golden Rule. Hitler raised a defeated, discouraged people to self respect and had in his grasp the means of

creating a truly great nation until greed, over-weaning pride and ruthlessness begat first selfishness, merging into more and more complete disregard for others, and finally utter lawlessness with its inevitable result of complete destruction of his country, his accomplices and himself.

Some corporations have fallen into the same error. Others are in danger of doing so. And let us not forget that freedom can degenerate into license, also that what the state can give, the state can take away.

### To Protect Its Citizens

When companies take undue disadvantage of their privileges, when they cease to render service as the basis for making legitimate profit, the state, in the exercise of its right, yes of its duty and responsibility to its law abiding citizens, interferes and, through the medium of its Courts, curtails or terminates, temporarily or permanently, as the enormity of the offense may require, the privileges, the very capacity to act, of the guilty one.

If, in our democratic countries, yours and mine, a government in office fails so to protect its citizens, they have the means and the right to remove that government from office and to transfer the right of government to those whom they select to carry out their mandates.

If corporations as a class should be found wanting in scrupulous adherence to sound ethical principles as expressed in the Golden Rule, that guiding concept of the true Christian democracy, if they degenerate into machines for the making of profits by unscrupulous policies, the government, or, if it should fail, the successor which the people can elect, can and must exercise its authority to restrain the Frankenstein which threatens to run amuck.

The corporation, itself a creature, is peculiar in that it comprises many creatures, human beings created in the image and likeness of God. The fundamental principles of Christian justice demand that the composite entity should not so

act as to violate the consciences of its individual members. Oppression of employees, ruthless destruction of legitimate competition, exorbitant, unconscionable profits, these and similar practices, made possible only by reason of corporate financial resources not available to individual merchants, are contrary to our Christian democratic creed. And today and tomorrow, as in times gone by, defiance of those humane, human principles brings about inescapable retribution.

To him who decries the idea of a corporate conscience because a corporation has no soul, I say that the soulless corporation will inevitably find that *for the purely selfish motive of survival* it must learn to serve rather than to impose servitude on others. For it is only he who serves who is worthy of his hire. It is now recognized as a sublime truth that each person should do unto others, as he would that they do unto him. And, as I have explained, a corporation is a legal person.

### Stupendous Contribution

Truly stupendous has been the contribution already made by corporations in the discovery or invention, the development, the distribution and the marketing of the thousands of amenities which are enjoyed today by the average ordinary citizen. By utilization of the vast resources which the corporate form of enterprise alone has made available, innumerable conveniences, even luxuries, have been placed within reach of all of us which otherwise might at least have been accessible to a very few if, indeed, they could have been perfected for use at all. By material standards, our free enterprise system, characterized by the development and expansion of the corporate method of business, has brought to us a manner of life beyond the dreams of Croesus.

But other centuries also have developed characteristic civilizations which, by then current standards, were magnificent. We know that inherent corruption

caused the downfall of the Grecian and the Roman worlds. They achieved material prosperity and political domination, yes, even a great degree of culture, but selfishness and corruption, tolerated alike in high places and low, implanted the cancerous growth which brought about lingering death.

Countries of modern Europe, now dependent upon North America's bounty for survival, had advanced far in material and in intellectual progress, but in their complacency they forgot God and the divine virtues of Faith and Charity. Soon even Hope disappeared.

It is no Utopian counsel of perfection; it is not the plea of an impractical idealist. It is the inescapable lesson of the history of this sorry old world that man cannot live by bread alone.

Because of the magnificent material success of corporate free enterprise in our North American democracies, we face a tremendous opportunity, presented by an inspiring challenge, that of Noblesse Oblige—To whom much has been given, of him much is expected.

Now the laborer is worthy of his hire. The company is entitled to its profit. But each must render its tithe of service to the community, for it derives much from its fellows of opportunity, of protection, of the almost endless list of blessings available to all who will participate industriously and honestly in the business of serving their fellows in our modern Christian democracies.

We, who already in our lifetime have fought and won two world wars in order that freedom might not perish from our midst, are again at war. We are besieged by Communism, tireless and ingenious, vigorous and unscrupulous, avowed enemy of Christian democracy. A favorite weapon in this war of ideals is the charge that we are capitalistic despots. In jealous rage these foes attack our system of corporate free enterprise with every weapon of speech and print. Pitilessly and vindictively, they turn their searchlights upon

our manner of doing business. Our failures are magnified, our successes are distorted or ridiculed. A war-worn, hungry, sick and almost hopeless Europe gazes upon the spectacle. We must show cause for the faith that is in us or its practice cannot persist.

Material prosperity is ours yet we are beset by strikes, by cartels, by constantly rising prices, for all of which the Communist enemy blames our corporations. We cannot evade that challenge; we must face it squarely and, proving it false, fling it back in the teeth of our traducers.

I submit to you that there is but one way to achieve that goal. Let each of us bend his best efforts, ceaselessly, vigorously, unfalteringly and unselfishly to exert his influence on the corporations of which he is a shareholder or with which he does business to the end that these juridic persons may join us natural persons in the battle, that they may so practice the Golden Rule in business that their worth will shine forth more brilliantly than even the searchlights of the enemy.

We have the means at hand to clothe our corporations in a mantle of justice, honesty, benevolence, to adorn those bodies corporate that already have produced a magnificent harvest of material benefits.

Man cannot live unto himself alone. The corporate form of business cannot survive on profits alone. Many companies, large and small, already are proving that the greatest of virtues, Charity, which is love of one's fellow man, can be practiced by the corporate entity as successfully as by the individuals who comprise it.

I offer you a sure shield and a wondrous weapon in the cold war raging at this moment at our very doors. Yes, peculiar creatures though companies are, for them as for all of us human creatures, as that shield and that weapon I offer you the practice of the Christian principle which our forefathers exemplified when they wrested this continent from the wilderness—"He profits most who serves best!"

# *There's a Price Tag On Human Liberty*

By

L. ROHE WALTER

FOR THE PAST TWELVE MONTHS the American economy has been running generally smoothly and at high speed. Nearly 60,000,000 people, more than ever before in peacetime, have jobs. Industry is producing at the record rate of \$240 billion a year. There has been relatively little open strife between labor and management—except in the coal industry. The loss of man-days of work through strikes has averaged only about 3 million a month during the past 12 months, as compared with the 1946 average of 9.7 million a month.

The defense program, now estimated to cost 14 billion a year, will inevitably grow larger with expenditures mounting to 20 billion per annum estimated rate a year from now. The big Air Force will require more expansion of other forces and this expansion will continue. Ninety millions is to be spent at Randolph Field, San Antonio, for the Air Corps post-graduate school. A further indication of the increased cost of defense expenditures is reflected in the training program for bomber pilots: we now plan to spend \$70,000 training one pilot whereas in World War II the cost was \$12,000 per pilot.

Economic controls seem inevitable—some this year—some next—to regulate the flow of materials. This unpleasant news for business will probably involve

the rationing of gasoline and fuel oil, the restoration of allocations and priorities for steel, aluminum, copper; and finally manpower controls to route workers into essential jobs, particularly in the aviation industry.

In recent weeks there have been signs that the nation might be entering a period of economic storm involving labor and management. Storm warnings have appeared in three vital areas of the economy: the railroad system, the auto industry and the soft-coal mines, with the Chrysler strike looking like a long one, involving a hard test for the unions.

This uncertainty comes at a time when the economy is already beginning to feel the inflationary effects of the European Recovery Program and of plans for military preparedness. Economists are confident that the economy in the long run can absorb the shocks, but there is concern that the immediate effect of serious labor-management disputes might be to jostle the economy at a moment when stability is so essential if the U. S. is to play its world role.

Here in the U. S. we produce about one-third of the goods and services turned out every year on the whole globe, including more than half of the industrial output. We do this with about one-fifteenth of the world's population and about the same part of its land area and natural resources. Even as early as 1929 the national income of the United States was equal to that of twenty-three other countries combined, including Great Britain, Germany and France.

No other nation is so fortunately situated geographically. We occupy a broad

This article by L. ROHE WALTER, Director of Public Relations for The Flintkote Co., New York City, was first presented as a talk before the Junior Chamber of Commerce at Waco, Texas, last month.

Mr. Walter is not a newcomer to JOURNAL pages. His "Objective Economic Education" appeared in the May, '47 issue.

belt in the temperate zone, with almost all desirable varieties of climate and rainfall, extending right across a continent and fronting upon two oceans. We have great river systems, fine ports, broad plains, deep forests, and large mineral resources.

### **Of Little Value Unless Used**

Natural advantages alone, however extensive, would be of little value without the use made of them by men and women. They were all there—and more besides—when the continent was inhabited only by Indians. Now we have about 530 million acres of farm land suitable for planting, of which only 340 million were in use in 1940, and only 390 million will be needed in 1960 to provide for a well-fed and fully employed population, plus a surplus of 15 per cent for export.

The reason for this abundance is the technical gain due to mechanization in producing more per man and per acre. The yield of crops per acre has increased nearly a third in the past ten years. The new normal yield of cotton is about twice as high as in the prosperous nineteen twenties. In 1944 the same number of farm workers could turn out 29 per cent more crops than only four years before.

The remarkable advance in industrial capacity is so often cited that by now it seems like an old story, yet this is what has carried our levels of living far above those anywhere else. In 1944, at the peak of war production, industry turned out 135 per cent more than the average of 1935-39, and even now with reduced working hours the output is almost double pre-war.

If purchasing power were equally divided, every consumer could have nearly half as much again as before the war, while building of new factories and equipment has more than doubled. Part of this gain is due to the fact that labor and machinery which were formerly idle have been kept busy. And a recent survey shows that industrial capacity itself will

be 50 per cent above prewar within a few months.

Daily, then, on every hand, the clear-thinking citizen can observe American business at work. So familiar are its accomplishments that they are accepted as commonplace; little thought is given to the connection between the business process and the general well-being of the country. On the other hand, because of the general misunderstanding that has arisen between the desks of management and the work benches of the country, the purpose and utility of business is regarded with suspicion and distrust. Now, what is behind this disquieting attitude toward business in a land famed for its supremacy in the production of goods which make life more comfortable, more interesting, and more worthwhile; where business has contributed its share in the best life in recorded history? Why are we part of the bewildering spectacle of a large portion of American citizens literally biting the hand that feeds them?

### **Cannot Act in Their Own Interest**

Why do so many Americans hold so firmly to erroneous conclusions about business, particularly those relating to profits and how they should be shared, so that they cannot act intelligently and realistically even in their own interest?

Why do some industrialists still cling to a naive belief their workers automatically owe and should extend their employer unquestioned loyalty in all matters? Why are they hurt and bewildered when employees don't seem to appreciate that their well-being is dependent upon company prosperity? Why do some of these business leaders consider fancy washrooms and sending flowers to an employee's sick wife adequate gestures that take the place of an over-all intelligent attempt to sell—and keep selling—all ranks from junior executives down—on the mutual stake that all have in the company's success and in the sound functioning of free enterprise?

Why does management willingly spend large sums of money for product, advertising copy, radio and market research and devote so little time and money to find out what appeals to their people, what they are confused about, and where they are misinformed?

Why is it that the only really dangerous weakness of the best economic system so far developed is the system's inability to explain itself? Why are we suddenly realizing that we must "cultivate the science of human relationships" if we are to make the free enterprise system tick?

Business in the United States, partly through its own fault, has been in the doghouse for years. Because of the greed or corrupt practices of a small percentage of businessmen, and because a relatively few corporation executives operated their own companies for their personal benefit rather than in the interest of the stockholders and public, all business management has suffered criticism.

Business has been so preoccupied with its major internal problem that it has grown almost inarticulate. It has been frightened into the notion that it must move through subterfuge, in secrecy, and with doubt as to its approach. It has permitted itself to be pushed and crowded by the "smear" technique of the opposition until it speaks apologetically of efforts to develop good relations with the public.

### **Needs To Make Philosophy Clear**

It is a well-known fact that business, so capable and ingenious in improving and selling its products, has been far less progressive in its human relationships. Much of the time it has been behind public opinion when it should have been ahead. It has been thrown into confusion, not because of any inherent weakness within itself, but because it has failed to make clear to the people the philosophy and principles of its existence.

No responsible leader of this country's business will maintain that all business activities or institutions are perfect and

proper or that some activities and certain parts of American business cannot properly undergo a housecleaning. In every group there are good men and evil men, wise men and fools, the just and the unjust, the greedy and the generous. Human nature and human institutions continue under all systems to have their endless variety.

### **Government's Problem**

The essential problem of government is to police men's activities so that wrong may not be done and justice may prevail. The politicians and radicals and pseudo economists overlook this. Instead of seeking to reduce and prevent injustice between citizens they blindly attack a system of production and distribution that by its results, as shown in our standard of living, is the best so far advised.

American business should be in a position to refute this malicious, calculated propaganda, even remedy its ill effects so that its policies and purposes may be properly interpreted and, where justified, understood to be right and proper in the eyes of society.

Falsehood and misrepresentation can only be successfully combated by plain unvarnished truth, which in the long run always wins. Unfortunately, the nation's business cannot afford to let "the mills of the Gods grind slowly" for, truly, they grind too slowly to be helpful in the present circumstance. Business cannot proceed too leisurely in making friends, lest the opposing forces completely undermine public confidence in the integrity and usefulness of American business. Now, perhaps more than at any other time in history, business should raise its sights and present its fundamental case by intelligent, constructive planning in the field of public relations. It must tell its story and win friends as regards "the right further to serve and grow and achieve—the proper relationship with government and government with business—a clear understanding by the peo-

ple of the functions of business so that business can do more for the people—provide a higher standard of living—better wages—a richer and fuller life."

To do so, business as a whole, individual businesses, and individual businessmen need efficient public relations counselors, not merely "publicity men." Press clippings will not suffice; there must be competent consulting advice on the proper way to interpret basic economic factors, and the reactions and effects of business policies on mass psychology, and in turn, on society in general.

#### **Business Must Broaden Views**

American business must broaden its views. Business leaders must realize that not every strike is due entirely to the machinations of a labor agitator, or a consumers' boycott to the initiative of a wild-eyed reformer. Many of these costly industrial blunders are caused by the stubborn insistence of a corporation executive who would rather fight than settle and who believes favorable public opinion can be immediately created for his side of the proposition by the running of full-page advertisements expounding his point of view in leading newspapers.

Corporation executives could learn much in the handling of public relations from the Chinese who pay the doctor in advance to keep the individual healthy rather than call him in only when the patient is seriously ill or dying.

More and more far-sighted business leaders do use this "Chinese doctor" policy. They view good public relations as an important day-by-day activity. They build up acceptance, over the years, of a justification for their existence; they are consciously alert to interpret their business in terms of human usefulness. In time, the institutions headed by these wise leaders take on a character and a personality that make them appear warm, human, and socially useful in contrast to the ogre-like, cold conceptions of concerns which overlook this highly im-

portant duty to themselves, their stockholders, their employees, and the public.

American business, whether large or small, cannot afford to ignore public sentiment. A great public leader once said: "Public sentiment is everything. With public sentiment nothing can fail. Without it, nothing can succeed. Consequently he who molds public sentiment goes deeper than he who enacts statutes or pronounces decisions—he makes statutes and decisions possible or impossible to execute." That statement was true when first made: it is true as gospel today; and it will be equally true for countless years to come.

The great job ahead, then, is the rehabilitation of the American commercial system in the eyes of the American public. This is a difficult task requiring all the ingenuity, sincerity, and vision which our industrial leaders can marshal in its behalf. It may well prove to be the major job ahead for business to tackle and to handle.

It should be clearly understood that circumstances, political propaganda and increasingly active and effective programs by organized labor have made it necessary for American business to explain itself to a public that has been taught to be suspicious of explanations that come from business. Thus the influences that have made it necessary to explain business have also made difficult the job of doing so.

#### **No Problem**

The job of preparing explanations of American business is no problem. The facts are available and merely require arrangement. When they are added together and weighed, they are favorable to business. The problem is to find a way to assure the public that the facts are credible.

It is doubtful that the facts about business can be made credible to all segments of the public by any standardized procedure. Facts that are accepted as cred-

ible under one condition are rejected as incredible under other conditions. Truths that are self-evident to one group are regarded with skepticism by other groups. Care and great skill will be needed to specialize the story for each group.

Resorting to lobbying bureaus, making heavy campaign contributions, and the lavish wining and dining of the right people are certainly not the proper way to win and build lasting good will. These pressure tactics, the behind-the-scenes methods heretofore so frequently used by some sectors of American business, tend only to sour the public and increase its feeling of suspicion.

A more ethical, democratic and practical procedure must be followed. A disarming frankness and a universal impression of sincerity based on telling the truth in a straight-forward manner is essential to success.

### Must Sell Ideas

Thus, in the rehabilitation of the American business system in the eyes of the American public, publicity and paid advertising will be of enormous importance. It may be that, whereas these modern promotional tools have heretofore been devoted primarily to selling products, they will henceforth be used more for selling ideas. Perhaps the big idea American business will have to sell will be economic education.

Impractical? Too costly? Never done before? Quite true. But remember the wise skipper throws some of his cargo overboard when his ship is threatened in the storm. The amount of sales cargo which may be lost by devoting some advertising and publicity to selling the truth about American business will be but a drop in the bucket compared with the ultimate good that would come from blotting out the misconceptions about American business that are finding increasing acceptance. The stakes are high; the strategy suggested is at least worth a trial.

Actually, then, all industry—every

business—large or small, yours and mine—faces the common problem of publicizing the American way of doing things; of interpreting in simple human terms the spirit that has made our nation great; of presenting the box score; U. S. Free Enterprise vs. Foreign Systems; in short, of telling "The World's Greatest Success Story" in facts the public will accept as credible.

### Not Propaganda

The fundamentals of such activity are based on a continuous program of objective economic education so that employees and the public generally get the true facts of a company's and industry's basic economy, the simple truths about profits and the relationships between wages and prices, all told in understandable terms of employee and community interest. Such a program, it should be emphasized, is not propaganda to induce employees to act in the interest of management and owners, but is objective education in the truest sense—without which employees cannot act intelligently and realistically in their own interest.

An effective employee-management program so vital to the sales operations of a business, since its success assures a steady flow of finished goods and holds forth the promise of greater manufacturing efficiency, has three basic premises.

The first is: Understand how, what and why employees think as they do. Base the program on facts secured from opinion polls conducted with the aid of expert consultants or outside practitioners. Eliminate guesswork or pre-conceived ideas, for neither intelligence nor good intentions can solve the problem. Certain readily-understood, even obvious, facts for management are completely outside the knowledge, understanding, experience and imagination of employees. Recent opinion polls conducted by Dr. Claude Robinson and others show that the public believes industry makes a 30

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# Make Your Figures Talk

By MILTON FAIRMAN and STEPHEN KORSEN

THE METHOD of presenting financial business facts to employees looms in importance as the national drive to sell free enterprise swings under way. Two recent surveys point up a critical public relations problem: One reports that most employees want, but generally don't get, financial data; another finds that the majority of the public doesn't understand the business information which is issued.

A Macfadden Wage Earner Forum recently reported that 53 per cent of employees surveyed felt they should be told about their company, its operations and its profit experience. But 49 per cent said they got no such information at all. Another question brought out that 29 per cent didn't believe such information when they did get it. This might be linked to the results of another survey: Controllership Foundation, Inc., recently found that about half the public not only could not understand corporate reports, but also distrusted them. Most of those interviewed were confounded by the cryptic language of accountants and auditors. Fifty-six per cent said financial statements employed too many figures and big words. Such terms as *earned surplus*, *liability*, *asset*, *reserve for contingencies* and accrued taxes puzzled large segments of the public.

The fact that many employees con-

tinued to misunderstand, and by the same token disbelieve business information when it is made available to them, is fairly conclusive evidence that every presentation technique should incorporate three "musts"—sincerity, simplicity and brevity.

Simplicity of language used in corporate reporting has been stressed sharply in recent years. This same essential element, however, seems to have been forgotten in the case of graphic presentations. And yet nearly every annual report of today is well garnished with charts, graphs and tables intended to portray the intricate pattern of corporate life. These presentations, ranging from simple line drawings to three-dimensional, full-color creations, represent costly expenditures for art work, engraving and printing. Such expenditures are subject to closer scrutiny today.

After a thorough but fruitless search for helpful surveys, our Public Relations Department conducted its own study to determine the type of financial presentation most readily grasped by employees. A set of six charts and tables, all carrying identical financial data, was selected for use in the survey. These materials included:

1. A simplified income statement employing round dollar figures and percentages. Headings used in the income breakdown included: What came in, what went out, what was left over—and how this was divided.

2. A table employing simple language but giving income, expenses, earnings and dividends in exact dollars and cents, and percentages carried out to two decimals.

3. A table showing the company's op-

MILTON FAIRMAN and STEPHEN KORSEN are members of the Public Relations Department of the Borden Company. Mr. Fairman has been Director of Public Relations since 1943, and Mr. Korsen is in charge of the Department's Employee Communications Section. Neither is a newcomer to JOURNAL pages. Readers will recall previous articles by both men.

erating experience for seven years, with a breakdown of receipts, disposition and profit.'

4. A bar graph depicting the same information as in the above seven-year table, with the various expenditures designated by hatch marking and color combinations.

5. A more elaborate pie chart showing the same dollar breakdown as in the simple pie chart, but incorporating symbols to illustrate the various expenditures.

6. A simple pie chart—a line drawing representing Borden's sales dollar and where it went. The "pie" was cut into six segments representing payments to farmers, employees, costs and expenses, depreciation, taxes and profit. No drawn symbols were employed in this chart.

Six identical and pre-tested questions based on the dollar breakdown were put to each of 350 employees in five Middle-Western and Eastern cities. A fourth of the interviewed employees were milk route salesmen; another fourth dairy plant workers; and the remainder, office workers. No employee was tested on more than one chart. Time and language of the interviewer were controlled. A separate questionnaire form was provided for each interview, with answers being noted verbatim.

The final tabulation of survey questionnaires showed that only two of the six presentations described above drew correct answers for considerably more than 50 per cent of the total. Most accurately grasped was the information presented in the elaborate pie chart which employed symbols; this chart led with a score of 71 per cent of the questions an-

swered correctly. Following closely with 70 per cent was the simple, unadorned pie-chart diagram. The order of these two pie charts was contrary to our original thinking; we had believed the plain pie chart would prove the more successful. Instead, the symbols seemed to help employees remember the charted facts.

Ranking third with 51 per cent of the questions answered correctly was the table using simple terms and round dollar and percentage figures. Under the 50 per cent mark were the more detailed tables and finally the bar graph. The tabulation below shows the standing of each chart. The chart numbers correspond to those given in the descriptions above.

As in the case of the survey conducted for Controllership Foundation, Inc., our study, too, showed that financial terminology confused readers. An analysis of the Borden survey answers showed 76 per cent of interviewed employees stumped by the phrase "Costs and Expenses." A great majority of them believed this term to mean the entire income of the company except for the profit. This, even after they had seen the term and proper amount of expenditure on the simplest of charts! Several employees remembered every expenditure in detail, but missed this question. Similar confusion was noted over the term "Depreciation."

The three charts of more complex nature drew comment testifying to the employees' befuddlement. Typical employee comments: "You'd have to memorize this" . . . "I'd rather see the simpler chart" . . . "Too hard for direct reading"

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SURVEY QUESTION	CHART 1		CHART 2		CHART 3		CHART 4		CHART 5		CHART 6	
	Per cent	Right Wrong										
Most income went to	70	30	61	39	75	25	79	21	84	16	91	9
Paid to employees	40	60	42	58	33	67	32	68	75	25	77	23
Payroll vs. profit	69	31	54	46	68	32	63	37	79	21	82	18
Profit was	54	46	46	54	49	51	23	77	79	21	72	28
Did profit top taxes?	*	*	*	*	37	63	25	75	70	30	65	35
For Costs and Expenses	21	79	14	86	12	88	23	77	39	61	33	67
Per cent by chart	51	49	44	56	46	54	41	59	71	29	70	30

\*Control questions on specified charts.

# *It Is a Problem*

By IRVIN BORDERS

Public Relations Counselor, Los Angeles, Calif.

**A**LTHOUGH SOMETIMES he seems to have plenty of volunteers in this country, Stalin really doesn't have to have a public relations man in his own.

That's the beauty of the totalitarian system. The omnipotent dictator needs only to issue an order, lift his hand or twitch an eyebrow and his will is carried out, along with the victims. Persuasion and reasoning give way to force. His relations with his public are a matter of This, comrade, or Else; submit, or Siberia; bow, or a bullet.

The more absolute the power of one person is over another, or one leader over a group or a nation, the less he needs to employ the power of peaceful persuasion. The more freedom that those other individuals have to act on their own initiative, however, and assert their own rights, the more he must cultivate their good will and seek their conscious cooperation in order to accomplish whatever he has in mind.

It is that necessity, or desirability, in a nation of free individuals, which has brought what we know as public relations techniques into being. It's no accident that they have developed in this country instead of in some other. What we term public relations is merely the peaceful persuasion of others to adopt a point of view, or attitude, or philosophy which will cause them to take certain steps or perform certain acts on their own initiative and of their own free will. Only where such free will exists could the need for such a profession come into being. The dictator's closest approach to what we might call public relations techniques is to use propaganda, not to persuade the people or even to enforce his will on them so much as to condition them to like it and thus reduce the friction and the cost. The rights of the victims are negligible.

Sometimes I fear that some of us lose sight of that inseparability of public relations itself, as a useful force or activity, and the unfettered free wills of the individuals upon whom we seek to direct that force. The profession of public relations, if such it be, depends for its existence on keeping the fetters off of those free wills. Should human liberty fade from the earth, with it would fade the constructive concept of public relations that a growing number of us are seeking to foster. Our skills would not be needed in a faceless nation of robots. The farmer doesn't need public relations techniques to cultivate cabbages in the fields.

Why isn't the value of individual liberty generally and completely recognized? Why should it take a continuing fight to keep its ideals alive? Why don't we just accept it as our rightful heritage that we already have, and let it go at that?

I'm afraid the answer is that some persons don't want the responsibilities that individual liberty exacts in return. Some don't want to make their own decisions; it's easier to let others do it for them. Some don't want to work out their own housing or other problems; they'd rather "the government," as the most benevolent-looking and trustworthy possibility in sight, would provide the solutions. Some don't want to be leaders; they'd rather be led. And, being less busy with constructive pursuits or constructive thinking, they are apt to make more noise and be more influential in the elections than their numbers or their importance might warrant. But, of course, their tendency is to blame the self-starters for their own short-comings and take it out on them.

Perhaps that may help to explain why so many of today's economic misconcep-

tions are promoted and disseminated by our best friends. It's hard for the outfielder to keep cool and collected when ninety thousand persons in the stands roar at him "you bum, you're going to drop that ball!" It's hard for the business man to retain his own sense of proportion and balance and cool judgment when his customers, employees, union leaders, the government and members of his great outside public roar at him "you exploiter—you're making too much dough!" The outfielder, unless he is exceptional, is likely to drop the ball. The business man, unless he too is exceptional, is likely to succumb to the popular idea that he is a crook, that certain of his practices are "against the public interest" and that he should atone by joining in the hosannahs for a bigger and better life through legislation for social uplift. It's human nature to seek to go with the crowd, even when convinced the crowd is wrong; sometimes it takes sterling (or stubborn) individualism to refrain from it.

Some of these rampant economic misconceptions are unwitting or careless, but perhaps most of them result from the fact that the withering blast of collectivism has been turned on us for so long that we have begun to accept some of its claims as facts instead of carefully nurtured fallacies. Some of them come under glittering labels of "progress," "democracy," advancement of business, the common good and even in the name of liberty itself. Sometimes it's hard to fight them without seeming to denounce the labels they falsely bear.

#### **Too Busy**

It isn't always easy for the business man to give them the careful analysis they should have. He's too busy running his business. Sometimes he depends on economic advisers who have trained in the other camp, or sometimes Washington's spotlight beams upon him so brightly that he succumbs mothlike to its lure. The superior scorn of those in government and in

education to the "trader" is nothing new; it is centuries old. It's no wonder that sometimes the business man catches the contagion and begins to distrust himself and his own kind—begins to feel that somehow, in some way, somebody or something (and it usually becomes a government assignment) has to protect the customers from those who seek to serve them. It doesn't mean that he was wrong in the first place. It means only that he has surrendered, perhaps unconsciously.

#### **More Harm Than Good**

One of our more widely publicized recent efforts to "improve public understanding of our economic system" has, it seems to me, fallen victim to this human tendency. Praiseworthy in its objectives, the product of long and careful thought and work, outstanding in its excellence and effectiveness for the most part, it nevertheless has adopted some fallacious premises which perhaps can do the cause it seeks to serve more harm than good. By winning well-merited praise for its excellent parts, it gains acceptance for its fallacies.

I refer, of course, to the slide film "This Is Our Problem," produced by a joint committee of the Association of National Advertisers and the American Association of Advertising Agencies. Too much cannot be said for the excellence of most of the film and for its undoubted impact, and if it did not first give away the case for individual liberty it could do a superb job.

The film was the product of months of study and painstaking work on the part of men for whom I have a tremendous respect. The more carefully I have analyzed the text of the presentation, however, the more I have become convinced that it has completely missed a fundamental point; has, in fact, accepted the strident assertions of the collectivists as fact instead of theory and has tried to solve the insoluble by attempting to reconcile individual liberty with collectivistic ideas. The fact

that those completely alien concepts could not be reconciled gave rise to the "problem" from which the film takes its name.

Because these concepts strike at the root of individual liberty, I believe they are of considerable concern to those in the field of public relations. Anything which strikes at that root.

### Only Two Ideologies

There are, after all, only two basic and fundamentally opposed ideologies. One is that human rights belong to the individual, who may exercise them freely in his own interest until and unless they interfere with the rights of other equally free individuals. Such rights as he may wish to delegate to others, or to a central authority, he is free to delegate; but the state, or a group, has only such rights as have been conferred upon it by individuals.

The opposite concept is that these basic rights belong to the state, or to the group as a whole, and that the individual has only such rights as the state or group permits him to have. That is the central point of conflict between conflicting ideas of government, between collectivistic ideologies and those of free men. It is important that we understand them. The difference is absolute and clear. The degree to which the individual or the state may confer his rights on the other makes no difference; the difference is in the fundamental ownership of those rights. We either accept and espouse one of those ideologies, or we accept and espouse the other.

I think most of us would agree that America was founded on the concept of individual liberty; that the rights belonged to the individual, that the government had no rights which were not conferred upon it by individual citizens. The constitution was a document to protect not the rights of the government, but the rights of the people against the government. It is significant that the Bill of Rights begins with the words "Congress shall make no law," and that each of its

ten amendments specifically protects individual citizens against the very government itself.

One of the film's primary premises is expressed in the statement that "as soon as people start living in groups, they have to . . . set up a social contract which will (1) force or persuade people to work so that the group can have the goods and services it needs to maintain its existence, (2) determine what goods and services will be produced and in what quantities, (3) decide who shall produce what goods and what services, and (4) determine how the goods and services produced by the group will be distributed among its members."

If we accept that kind of thinking, then the step to a completely planned economy would seem to be a very short one indeed. The "group" (presumably through its government), instead of the individuals themselves, is to decide what those individuals will produce and in what quantities and how they shall be distributed. The group has to "force or persuade" the individuals to work. The idea that the individuals themselves might wish to work of their own volition and for their own advantage, in order to raise their own standards of living, is completely eliminated.

The film goes on to say that in this country we have accomplished that objective through the free market system, although, it maintains, that free market has to be regulated. The implication is that the free market happens to be a workable and practicable method for the state to use to obtain its own ends; not that the individual's objectives or desires cut any ice one way or the other. Again it's a question of title or ownership or fundamental right. The film implies that the "group" has generously permitted the individuals to operate within the framework of a free market, in order that they might better serve the "group's" (or government's) purposes.

"We used the carrot instead of the

stick," the film continues, to explain the success of the "American system" under such benign manipulations. Who "we" is, the yielders of the carrot or the wielders of the stick, it does not make clear, but it seems to set up a subtle distinction between some sort of ruling or guiding class and the poor dumb ignorant brutes who have to do the work. There is no provision for any volition on the part of the presumed donkeys. I am convinced that it was the driving force from within each individual that made the American experiment so successful, and if permitted will continue to do so. If something outside of himself, "society" or whatnot, has to motivate the individual then he is incapable of achieving freedom, or enjoying it, and small wonder it becomes a problem when we try to reconcile those conflicting ideas with each other. I personally can't swallow the idea that all constructive work has to be done by workers who are either tricked or beaten into doing it.

#### **Personal Public Relations Problem**

Space does not permit a fuller discussion of these fallacious premises. They posed a sort of personal public relations problem for me, when I first witnessed the presentation which later was to become the slide film. While I was completely convinced that some of the concepts were totally wrong, it isn't lightly that one takes on some of the top men in an honored profession in single-handed battle. Unless he can prove he is right, he runs the risk of being soundly beaten in the argument and being discredited in his profession, not only for his views but for his foolishness in expressing them rashly against what seems to be the popular tide. It seemed to me that public enemy number one, General Apathy, would chuckle in his beard and score up another mark if caution won out over conscience, however; too many persons keep quiet on these things as it is.

In the interests of the idea of individual liberty itself, that the film was supposed

to be espousing, it seemed to me that these confused concepts should be pointed out. The first step was to document my own analysis and interpretation by checking them carefully with economists of unquestioned reputation. The second was to send a resume of the questioned points to the chairman of the creative committee who had been responsible for preparation of the completed text. I hoped that thus the fallacious points might quietly be removed from the pending program and the final product made as unassailable as it was powerful.

It was several months before I saw the slide film itself. To my sorrow it repeated verbatim the questioned points. Meanwhile, the Advertising Association of the West had been asked to promote the film in the western states. Convinced that the officers of the association did not realize the presence in the film of its confused concepts, I felt that they should be told what they were being asked to sponsor. An eight-page memorandum went out to each.

It was a liberal education in practical public relations; I am only now coming out from under the correspondence which followed it. It raised questions I wish I could answer, as well as many that I did.

#### **Surprising Response**

Several things surprised me about the response. First, that so many responded so favorably, even enthusiastically, and that so few expressed disagreement. Those who dissented, perhaps, didn't want to go on record in writing. The ratio of favorable letters to unfavorable was approximately 10 to 1.

Second, it surprised me that some whom I would especially have expected to see the points I attempted to make did not seem to see them. Third, it surprised me that several seemed to want to hush the matter up completely so as not to "affect the program," instead of wanting the issues thoroughly discussed and analyzed by all concerned. "You've made

your points now," they said in effect, "so let's not rock the boat any more."

It poses some nice public relations problems. Is unanimity of opinion or belief an essential in a nation of free minds? Can it ever be achieved on anything except by coercion or thought-control? Do we want unanimity of opinion in this country, or in the advertising business, or in any human activity? Do we want the one who is convinced that the others are wrong to feel free to speak his mind, or is it better that he remain quiet for fear of what the others may think or do to him? Is the individual a free being, on his own, or must he wait for "society" or "the group" to motivate him? If so, who is going to speak for "society" anyhow, and by what right?

What should the conscientious public relations man do when an ill-conceived program is adopted—try to make it work against his best judgment, or try to get it changed so that it will work more effectively? I won't give you the answers; I'm just asking. It seems to me that they are basic public relations problems. Until we are reasonably sure of the answers we

will have no need for public relations techniques.

It seems to me that it's all a part of upholding that concept of individual liberty on which this nation of free men was founded. Our first duty to our profession, I believe, is to keep alive the thing which makes it possible—the right of free men to form their own opinions and provide their own motivation, conscious always of the rights of others as well as of their own. One way to help preserve that concept of freedom, I believe, is to strike out at any and all challenges to it, no matter from whence they come or under what label. It is in that spirit that I have flung down the gauntlet—not to the film itself, not to the joint committee, not to any of the individuals concerned, but to some of the ideas which have crept subtly into the thinking behind the film. Making more of us see the sharp distinction between the individualist concept which built this nation, and the collectivistic concepts which are tearing it apart, is to me our primary problem. Seemingly, up to now, it has not been solved.

*A graduate of the University of Missouri (1925) IRVIN BORDERS spent several years in newspaper and later advertising pursuits in the South and East. After a tour of duty as sales promotional copy chief for Columbia Broadcasting System in Hollywood he joined the Los Angeles staff of the Committee for Economic Development, as writer, speaker and assistant regional manager. Throughout the demobilization period following World War II he served as executive director of the Servicemen's Sales & Advertising Council. Late in 1946, that job completed, he took a year's assignment as director of information for the Foundation for Economic Education, Inc. at Irvington-on-Hudson, N. Y., returning to his home in Los Angeles at the end of 1947.*

*A lecturer of note, he has served as president of the Advertising Club of Los Angeles and of the American Institute of Journalists.*

#### THE JUNE-JULY ISSUE

Since its inception the JOURNAL has been issued between the 15th and 20th of the month of issue. It will continue to be mailed on approximately the 20th of each month but the date of issue will be that of the following month. No issues will be skipped. The change is merely one of dating.

## THE WEATHERVANE

### A Strategic Post

DR. JAMES BRYANT CONANT, President, Harvard University, in "The President's Report" in January of this year said, among other things: "Scientists who are directing their attention to the behavior of man as a social animal and are determined to assist in the development of American society toward our historic goals occupy a strategic post; indeed, their efforts might be decisive in insuring that this nation continue a strong, vigorous and united body of free men."

This same view is being voiced with increasing frequency by the so-called "hard-headed", practical top executives of industry. Between the lines of Dr. Conant's statement is written as provocative a challenge as any which could be placed before the public relations fraternity.

### To the Point

THE UNDERSTANDING of corporate earnings, as a subject, has been in about the same category as the weather; lots of talk but not too much action. It is, therefore, encouraging to find a number of companies taking the story of corporate earnings to their workers in an understandable manner. Goodyear Tire and Rubber Company, Akron, Ohio, has published a series of interesting and informative advertisements in *The Wingfoot Clan*, employee publication. Ad titles are descriptive of the content: "What Does Goodyear Really Net?", "How the Money Rolls In—and Out", "Percentage, Not Total, Counts", "23,912 New Jobs Are Created", "Is Goodyear Making Too Much?" Copies of the advertisements may be obtained by writing L. E. Judd, Director of Public Relations for the company at Akron, Ohio.

Another interesting approach to the problem is that used by International Harvester Company, Chicago. *Profits Mean Progress for Everyone* is the title of an informative booklet I.H.C. has placed in the hands of its some 90,000 employees. Carefully compiled, the booklet is simply and plainly written to provide employees with exact facts to bring better understanding and fuller conception of the mutuality of company and employee interests.

### A "Fat Job"

IN THE APRIL 25TH ISSUE of *The Los Angeles Times* there appeared an editorial which again focuses attention upon the need for the public relations profession to "educate" the communications media of our land.

Under the caption, "Fat Job for Public Relations Engineer," the *Times* editorial writer introduces his subject by saying: "The trend in government is to make lavish expenditures for press agents. . ." He proceeds to question the desirability of the City Council's move to employ a press agent saying in part: "Does the Council need a public relations counsel, as they like to call themselves? Or, more important, does the taxpaying public need a Council press agent?"

It is not within our province to say whether or not the Los Angeles City Council needs a press agent, but it is within our province to suggest that men entrusted with the editorial responsibility on our newspapers come out of their cloistered cells long enough to learn the difference between "press agency" and "public relations"—1948.

### Management's Prerogatives

JOHN P. HEIN, Public Relations Director, Goodwill Industries of America, in addressing a group of his management

men, placed his finger directly upon one of the difficulties faced by many public relations workers. He said:

"For the segment of Top Management both in industry and social service that has not yet come to understand the true meaning of public relations, the recent advancements of this relatively new profession may seem an encroachment upon executive responsibility. Even many of the organizations dominated by this sort of Top Management have been forced to pay lip service to public relations—forced by the undeniable needs for public support of their activities.

"The situation is much the same when some people we know—perhaps some of the clients in your own Industries—are forced as a last resort to consult a physician. Some of us—particularly those of us who *know* there is something wrong inside—still approach the medical profession hesitatingly and distrustfully. There are few people today who do not realize that going to the doctor is absolutely useless unless and until the doctor's prescriptions are faithfully followed."

#### ***"Good Morning, Mr. Ambassador"***

A PUBLIC RELATIONS WORKER who prefers to remain anonymous, a few days ago suggested an idea which has much to recommend it. The objective is to teach the "little people" of Europe something of America's *friendliness* and much of America's *closeness* in an air-age. He suggests that small airmail packets of vegetable seeds (so much in need by Europeans) be prepared so that Americans might purchase them to airmail to relatives, friends and acquaintances throughout Europe. Of the idea the author says, "This is a democratic opportunity for average people in even the smallest American community to take some direct action in creating a policy of closeness instead of merely sitting by and waiting for Congress or a diplomat to deliver a message abroad. It would make the smallest crossroads post office a foreign relations

contact and the postmaster abroad might well be greeted, 'Good morning, Mr. Ambassador.'"

#### ***Beautiful, but . . .***

BARRON'S WEEKLY, the financial journal, in a recent issue made the point that while annual reports, generally speaking, had greatly improved many of them still left much to be desired. It was pointed out that one of the greatest areas of improvement was in appearance. Art, typography, and fine printing have combined to make beautiful documents which leave untold a great deal that stockholders might like to know. "Nearly 50 per cent of annual reports do not give earnings and balance sheet comparisons." The article concluded: "It would seem wise for corporations to cultivate the market for capital—their stockholders—as assiduously as they try to develop the market for their goods."

#### ***Vendor Relations***

SALESMEN and first callers are finding a novel visitors' card at Tokheim Oil Tank and Pump Co., Fort Wayne, a real help in transacting their business. "For your convenience," the card reads, "here are some of the people in our organization whom you may wish to see."

Often a caller is under the impression that he must see a person who is dated ahead for several hours. The card may help him see another official, free to see him immediately, who can give a quick decision on purchases or sales. "We also have salesmen on the road," Mr. C. C. Oberly, Board Chairman, says, "and know they receive a cordial welcome from their customers. The Golden Rule should begin at home."

#### ***Another Definition***

J. MILLER REDFIELD, Regional Director of Public Relations, Household Finance Corporation, says, "Every person who talks about public relations has his own definition of that term. Here is mine:

Public relations is the combined effect of four factors—your policies, your actions, what you say about yourself and, what others think and say about you. It is apparent that the last factor, which is, of course, the most important one, is determined by the other three. Your public relations can be good or they can be bad—it all depends on you. They cannot be left to the other fellow."

### **Television**

**E**XPERTS FORECAST that within five years television will reach the proportions of a billion dollar industry and that within a year from thirty to sixty million people in 24 states will be able to view television programs.

Time and technology may be expected to correct most of the current television shortcomings: Poor picture quality; high set cost; high transmission cost; difficulty of antenna installation, etc.

There is another point, however, toward which television experts (and those who use this new medium) may well focus their attention. It is pointed up in a recent editorial in *Tell* magazine. It directs attention to some significant contrasts between radio and television:

"Radio, being essentially illusory, allows a thin margin of listener tolerance for the weird sound effects which characterize the annoyance technique in commercials. But the same kind of selling approach by television, we suspect, would backfire with hideous effect because the television image is direct, visual and factual, hence poorly adapted to subtlety."

"Considering the hesitancy with which radio has set about policing itself after 25 years, we can only recommend that agencies and far-sighted television sponsors prepare to add a new title, 'Director of Good Taste,' and place its occupant high in the echelons of management, with full powers of censorship."

"Simple good taste is difficult to define, and impossible to teach, but Heaven help the television advertiser who ignores it.

If enough of them do, tomorrow's television set will need a shutoff switch built to withstand savage handling."

### **For Survival**

**M**ANAGEMENT'S ATTITUDE toward the creation of human satisfactions as well as the creation of material things will determine the future not only of free labor and free management in America, but of freedom itself in the world," declared Clarence Francis, General Foods Corporation Board Chairman.

As a practical management philosophy, he recommended that an employee be considered a human being and as such entitled to the respect and consideration which one honorable person automatically extends to an equally honorable person.

Mr. Francis pointed out that this philosophy has worked with conspicuous success in some cases to create "islands of harmony in a sea of unrest."

"You cannot legislate harmony into the hearts of men," he added. "To attain positive industrial peace, we need something more than by-laws and compulsory rules. We need productive teamwork; we need men working willingly together toward known goals."

A copy of Mr. Francis' talk, "The Causes of Industrial Peace", may be obtained from the National Association of Manufacturers, 14 West 49th Street, New York 20.

### **A One-Man Company**

**A**N INTERESTING ANNUAL REPORT for the year 1947 is "Mr. Marquette's One-Man Cement Company" issued by Marquette Cement Manufacturing Company. On page 1 we read:

"The 1947 Annual Report of Marquette Cement Manufacturing Company, as you know, covered the combined work of the whole Marquette organization—the 1,669 men and women, from top to bottom, who worked a full year with the company in 1947 (2,000 hours regular

time, plus 190 hours of overtime). That report, therefore, dealt in big figures. This report you now have in your hands breaks these same figures down to an individual basis. It covers the results produced by just one of us in that year and because of that, let's call it 'Mr. Marquette's One-Man Cement Company.' In this way you can easily see what, exactly, is back of each and every one of the 1,669 of us in the way of value of the tools we must have, what we were able to do with these tools in producing and selling, and what happened to the income from that production and those sales.

"All of these figures for Mr. Marquette's One-Man Cement Company are gotten by merely dividing the big figures in the report of Marquette Cement Manufacturing Company by the 1,669 of us who worked together during 1947."

#### New Magazine

**O**F INTEREST to public relations people is word of the coming publication of a new magazine in the field. Called *Feature*, it is described as a tool for the public relations man. "Write a feature, plan a story—and *Feature* gets it before every important editor in the United States in one operation," says advance release on the magazine. "Significant newspapers and magazines, syndicates and house organs, are included in the distribution. . . . It places the story, as well, before hundreds of feature writers for top magazines, before leading book publishers, news and documentary film producers, industrial publications, and before the foreign language and Canadian press."

From the list of companies who have already contracted for space, it would appear that the magazine is already off to a gala start.

#### Education Important in Business Leadership

**F**OUR MINIMUM REQUIREMENTS of a good business executive were outlined by Dean Donald K. David, of the

Harvard Graduate School of Business Administration in his annual report:

"1. The ability to work with other people.

"2. The ability to reach sound decisions in the light of the facts available and under pressure of time.

"3. Willingness and courage to put his decisions into effect.

"4. The ability to draw upon a fund of substantive knowledge, of facts, and techniques pertaining to business generally and to the particular industry and firm with which he is connected."

Dean David stressed the fact that education develops business leadership qualities. The businessman's educational background enables him to understand the relation of business to the community in general. The Dean continues, "One of our tasks is to develop in men the ability to continue to learn the skills of a competent businessman after they leave school."

"The business leader realizes that while his organization is only a segment of our economy, powerful economic forces result from the collective attitudes and actions of such businessmen as he. He does what he can to strengthen the social structure of his community, for he knows that our economy can be strong only if it is integrated with a cohesive society."

#### The Train of Tomorrow

**A**TALK, "Why We Built the Train of Tomorrow," by Paul Garrett, Vice President, General Motors Corporation, has recently been issued in the form of a booklet. General Motors' prime purpose in building the Train of Tomorrow, says Mr. Garrett, was to contribute an idea, plus its management skill in putting complicated things together. In essence it is a research project.

He says, "Thus the principal purpose of the Train from our standpoint is to suggest ideas and stimulate others, our belief being that it is ideas effectively developed and translated into more and better products that strengthen and broaden

our economy. In this sense the project is a contribution to the economy from which we hope all will benefit."

He further states that despite prophets of doom employment and production in America have broken all records since the last war, proving that as a people we have a special kind of vitality here. And the source of that vitality is not our abundant resources or our great market of 140,000,000 people, he says, (other countries surpass us in those respects), but "the basic fact at the root of our vitality is a political system that guarantees certain freedoms that make for the most efficient possible utilization of human energy. Thus our system, while maintaining law and order, guarantees the individual the freedom to be enterprising."

#### **Recorded Dramatized Case Studies**

**S**OMETHING NEW" in handling human relations problems in industry has made its appearance recently. That is the use of recorded dramatized case studies. Training Services, Inc. of Milwaukee, Wisconsin, have made a series of 12-inch unbreakable, vinolyte records that can be played on any phonograph. They are true cases of conflicts between supervisory management people and workers in industrial organizations, that have been

selected because they are especially characteristic of the everyday problems of supervisors and foremen. Dramatization has been done by professional radio writers and the entire production of the records supervised by some of radio's best talent. In each record the story ends with a crisis requiring action to be taken, but the solution is not given in order to avoid prejudicing the listeners.

#### **Tell Employees the Truth**

**T**ELL THE TRUTH to your employees, even when it hurts, John W. Vance, Chicago, assistant director of public relations for International Harvester Co., recently told the Tennessee Industrial Personnel Conference at a meeting in Memphis.

"With minor and temporary exceptions, we have no secrets and will talk about anything," he said.

"... One of the things we have learned from such studies (of opinions and attitudes carried on by scientific means) is that the greatest gap in thinking between any two groups in our society is the gap that exists between shop employees and front office management in manufacturing industries. That is the gap we are trying to bridge."

## **MAKE YOUR FIGURES TALK**

*(Continued from page 19)*

... "Chart too complicated" . . . "This doesn't tell me anything" . . . "I can look at this all day and not remember the figures."

**Summary:** Six types of charts and tables, all carrying identical data, were used in our survey to determine the type of financial presentation most readily understood by our employees. A pie-chart incorporating illustrative symbols was found to be the most successful, drawing 71 per cent correct answers. Second highest was a simple, unadorned pie-chart diagram, with a score of 70 per cent. Both

of these charts would have been near the 100 per cent mark were it not for a question which involved the misunderstood accounting phrase "Costs and Expenses." A table using simple terms and round dollar and percentage figures scored 51 per cent. The others, trailing percentage-wise in the low 40's, included two more detailed and complex tables and a bar graph. As a result of this survey, it is recommended that pictographic pie charts be used in presenting figure facts to employees.

# MIKE MAKES HIS ROUNDS

By KENNETH W. McLAREN

of the American Bankers Association

**A**s we follow Mike on his rounds, we become increasingly conscious of the fact that Mike, like the rest of us, is the center of his own little universe, and has plenty of time to reflect on the state of his world. Although Mike would undoubtedly not express it in the same terms, he realizes that sound public relations begins at home. For, whatever favorable impression a bank is able to create with its stockholders, its depositors, its customers, and its community will be confirmed or denied in the bank itself, across the desk, the counter, the telephone, or through the mails.

In the days when America as a nation was in swaddling clothes, barter between individuals was a convenient medium for the exchange of goods and services. Then, too, relationships between individuals were on a direct and extremely personal plane, and it was on this basis that the business, as well as the issues, of the day was discussed and disposed of.

The years that have intervened between then and now have witnessed the growth of America to a point where its credit, monetary, and productive facilities are looked upon by many nations as the last arsenal of freedom. This transition to greatness has been created by a degree of specialization hitherto unknown. And yet, America's growth has been accompanied by a gradual sacrifice of those personal relationships that were present at its birth. Only within recent years has the nation paused to give consideration to the re-establishment of these vital relationships.

Banking has been and always will be dependent simply upon its services to the public. It is, therefore, adversely affected by the development of impersonal attitudes both from within its well-organized structure and in its relations with the communities upon which it is dependent for success or failure. There are banks in the United States which, because of their strategic position in a rural community and the dynamic personality of the bank's executive officer, are able to maintain the close personal ties between the bank and its community.

Recent public opinion polls, however, indicate that this relationship breaks down as we move from rural areas to centers of large population. The individual personality that clothes the small bank with warmth and humanness is diffused among many personalities as the bank increases in size. The "home folks" become "customers," while the country banker who is qualified to grant credit for a farm operation or settle a widow's estate becomes a specialist in loans, estates, mortgages, or securities in the large banking institution.

Top banking management in our large cities is conscious of the effect of these impersonal attitudes. Their specialists, faced with the manifold demands of day-to-day operations, have little time in which to concentrate on the strictly human side of banking's functions and contacts—the banking that reaches deep into the hopes, the fears, and the dreams for the future of countless millions of men and women in all walks of American life. And so this technical excellence must be supplemented to a greater degree than ever before by a warmth of human contact if private banking is to survive.

To these other specialists in our large banks, then, must be added an individual who, on behalf of the bank's chief executive and with top management's complete support, will be able to coordinate the bank's internal and external activities at the contact level. While his functions will remain essentially the same, his official designation will

*S*vary from bank to bank. In most cases, however, he will simply be known as the Director of Public Relations. His tools and techniques will include many of those which have influenced the Mike of our story, as well as many others of which Mike is not aware.



"YES SIR, this being a bank watchman is a mighty lonely life at times.

"Let's see, almost eleven o'clock. Most folks are just getting to church. I'll bet Mary's proud as punch of the kid's new outfit. Some kid—I'm mighty proud of her myself. That bonus deal the bank put in sure comes in handy. Kids always need something, and it's tough these days to figure ahead.

"Time to be starting my rounds, I guess.

"Well now, if that doesn't beat old Nick. Just had these shoes tapped and you can hear 'em squeak all over this main bank floor. Mary'll just have to take them back.

"This floor will look mighty smart when these old tellers' cages are gone. It sure is a big barn of a room. Funny, it's such a friendly place when everybody's behind the counters and things are buzzing like a beehive. Might be a good idea for everybody to spend a Sunday in the bank. They'd see just how dead it is without the folks.

"This floor sure does get cluttered up during weekdays. People ten deep at these windows. But leave it to big old Frank, the guard, to direct the traffic—always smiling, answering questions, and seein' to it that people get where they want to go. I guess more people know Frank than anyone else in the bank. There's been no holding him down since that story appeared in the newspapers about him being awarded that watch for twenty-five years of service.

"I wonder how George Able's wife is coming along. The baby's due almost any day now. It's a lucky thing for him he's in that hospitalization plan the bank has.

"One smart teller that George—can call most of his customers by name. Keeps his ears open too, and lets his account officer in on any dope he picks up. They tell

me he's now making calls on the customers, too. George sure takes off when you mention the war though. Always winds up by saying that the war taught him to appreciate the bank's interest in encouraging a guy to talk about his work. Says it makes him feel as though he's a member of a team instead of being a little cog in somebody else's machine.

"I see Miss McErchen left her glasses on her desk again.

"There's a fine woman for you, with a magic touch when it comes to the kids. That youngster of ours never would listen to Mary and me when it came to saving money until Miss McErchen caught up with her on one of those school visits of hers. The thing that really turned the trick was when Miss McErchen had the kid and some of her classmates down here on one of the bank's regular school tours. The kid never will forget opening an account all by herself or being allowed to hold a million dollars between her fists. She's still talking about it.

"Nice and cool down here below street level—quiet too.

"Look at that big vault door—like a faithful dog told to stand guard until its master returns. Strong and proud, too, as well it might be. The old vault's losing one of its best friends next week when our neighbor, Dick Hanlin, comes in to pay the last installment on his mortgage.

"These kitchens and the employees' dining room are 'spic and span' as Mary'd say.

"Wonder what's new on the bulletin board.

"Hmm, too bad about Henry—started in the bank about the same time I did. Between the bank's insurance, pension, and profit-sharing benefits, I guess Hank's family won't be worried about money. I hope his wife has the good sense to come in and see our trust officer, Mr.

Lesser. Now there's a kindly man for you—always worrying about the troubles that a lot of well-meaning men folks leave behind.

"There's the bank's latest ad on small loans. Mary's brother sure has been a rooter for the bank ever since it tided him over when his wife had to go to the hospital. He'd always believed this Hollywood stuff about how coldhearted bankers were until he needed some cash and Mary got him to come into the bank. He had his loan before you could say 'Jack Robinson.' Now he's got a regular savings account.

"There's that notice about our monthly customer get-together here at the bank, and the one about Tom Ferguson's election as President of the employees' club. Popular young fella, Tom, he'll put a lot of punch into the club. Guess Mary and I'll have to come in again for one of their discussion meetings, bein' as I don't go in for athletics and a lot of their other events.

"I'll say this for the bank—they sure are generous with the lights in these stairways.

"There now, I told Mary it wouldn't rain and sure enough the sun's out.

"That looks like Fred Holtz, our head bookkeeper, heading this way. No, he's turned down Grand street.

"Fred and his women—he used to have more trouble with those girls in his department. They were parading through there like salmon headed for sea. They sure didn't think much of the bank, and didn't mind sayin' so. I can remember the change in Fred when the bank gave him that course for supervisors in job relations. Gave Fred a chance to get a little steam off too, I guess.

"They tell me Fred stacked up like a million dollars with his girls in that employee attitude poll the bank took a couple of months ago. It was one of Fred's girls, that little dark-eyed Maria Gonzales, who waltzed off with the \$50 award for the suggestion about the bank's

monthly statements. Maria's story in the Bank's News about what she did with the money was mighty clever. Said she never would have thought of the idea if the bank hadn't shown her that her work was every bit as important to the bank's customers as the front office.

"Sunday's the day to visit these operating departments. When they're going full blast I can't hear myself think, soundproofed or not.

"Takes a lot of nimble fingers to operate these new machines, but they sure do make the work go fast.

"Joe must have used the main entrance to the executive offices last night or he wouldn't have missed these lights burning in this corridor leading to the President's office.

"Quite a man, Mr. Upton. People say he's public relations minded. I guess they mean he's always thinkin' of how other people feel. Never will forget all during the war how he used to ask how my oldest boy was getting along overseas. You'd almost have thought Charlie was his boy as well as mine. Treats everybody in the bank the same. And he's that way at the annual dinners when he tells us how we're doin' in the bank. Gives you the feeling of being important and makes you proud to be working 'with him' as he calls it.

"Public relations minded, eh! Well, I don't exactly know what they mean by public relations, but I do know it's mighty important to have good relations right here in the bank. It seems to me you've got to make the people who work with you feel like somebody. Show them where they can help—then give them a real chance to give something to the outfit and not as George puts it 'just take orders.' That kind of friendliness is just bound to stick out all over everybody in the bank. And when people come in to see us, or we go out to meet them, they can't help noticin'.

"If that's public relations—it sure works!"

# *Shefferman on Labor Relations*

By GEORGE A. PETTITT

Assistant to the President, University of California, Berkeley, Calif.

**Y**OU PROBABLY CAN RECALL at least a few unexpected personal experiences which seemed important enough in retrospect to pass on to friends and associates at the first opportunity. Listening to a speech by Nathan W. Shefferman, Industrial Relations Consultant for Sears Roebuck and Company, and Executive Director of Labor Relations Associates, is an experience of that kind. Not that you will necessarily agree with Mr. Shefferman and become a disciple of his messianic faith, but out of the wealth of observations and conclusions with which he fills the room, any size room, you will get a new and refreshing slant on your own pet theories, whatever they may be.

Mr. Shefferman spoke recently (May 27, 1948) on labor laws and training problems at the Second Personnel Training Conference called at Berkeley by the California Training Directors Association and the University of California's Institute of Industrial Relations and its Department of Institutes. He set out to do three things: analyze the effect of the Taft-Hartley Bill on labor-management problems; explain why he doesn't like the Taft-Hartley Bill, and why he believes it is undesirable from the employers' point of view; and, finally, why he believes that management could make any labor legislation unnecessary by using common sense in its employee relations.

In accomplishing this heavy assignment after lunch, of course, it is necessary to fly fast on the stratospheric level, even when the audience foregoes its dessert, but Mr. Shefferman is an expert pilot who knows how to cushion every air pocket

with a pertinent and pointed story. You may not arrive at the same airport as he does, but you will have had a bird's-eye view of labor relations under very expert guidance, and you will have had your geographical sense much strengthened.

Labor legislation, Mr. Shefferman believes, is an attempt to avoid being realistic. Realism is the recognition that employees are the most important part of any organization, and that unless more, continuing attention is given to their needs and happiness than to production techniques and sales promotion, management is bound to end up in the same fix as the farmer who has lost his top soil. Some things can't be replaced by law. Labor relations cannot be improved merely by moving them out of the plant into a court of law. The legislation which so moves them may prove to be nothing more than a full employment act for attorneys.

So far, labor laws have tended to be unilateral legalistic restrictions on either management or on labor inspired by one or the other group, but never by both for the good of both. This was particularly true of the Wagner Act and the Taft-Hartley Bill. The pendulum swings back and forth, going too far on each swing, and nothing is done about the essential force which starts it swinging; namely, human nature. While this is akin to saying that war is caused by human nature, and that peace depends on getting people together spiritually, nevertheless the importance of the underlying facts is undeniable.

The Taft-Hartley Law, as Mr. Shefferman sees it, will not settle any fundamental issues, nor will it long serve effectively as a stopgap. It has given unions a new rallying cry, and has created a market for more ingenuity on the part of union

JOURNAL readers will recall DR. PETTITT'S previous contribution to these pages—"Public Relations in Académé"—(Feb., '47).

leaders. It may help to bring about a merger of labor and a real, new political party. It has added another point of difference which must be negotiated and over which strikes are occurring; namely, clauses in contracts to grant unions immunity against liabilities under the Taft-Hartley Law. The cooling off periods ostensibly provided under the law have no existence in fact, because the longer an issue remains unsettled, the hotter the disputants tend to become. Strikes cannot be outlawed for the reason that there are a thousand excuses not to work which, technically, cannot be called striking. Of 2,384 charges of unfair practices under the Taft-Hartley Law, only 519 were brought against the unions which were to be controlled by it, and the rest have been brought against employers. The proscription against contributions to political movements has led to union sponsored advertising, radio programs, and public meetings. The law is by-passed, circumvented, and violated every day. The obvious answer is more legislation to close up the loop-holes, and that answer, unless it is jointly sponsored by labor and management will eventually create more hostility, and more situations requiring the intervention of the militia.

Mr. Shefferman offers his own answer, which is to go after the good will of the employees and to give up the idea of trying to make them love the boss by law. He points out that running a financially successful business does not guarantee that the employee relations are good. In the clinches "No one will lay down his life for the auditor."

Unless some way is found of running a plant without people, it will always be

essential to remember three things: every employee has a universe of his own of which he is the center, and small though it may be, his anxieties and aspirations concerning it must be met by a certain amount of personal attention if his loyalty is to be held; don't ignore little squawks and grievances—many a conflagration starts from a spark that a cup of water could quench; don't become so efficient in your personnel work that employees become a lot of overly-filled cards filed under badge numbers. Testing and surveying can be very helpful if one doesn't forget that no human being can be reduced to a formula. The individual who gets so efficient that he forgets the humanizing touch is like a child who gets fun out of taking a clock apart because he isn't concerned about whether it runs or not. The causes of labor trouble in more cases than one can count are the little things that would never be guessed, and which will never be known unless you "talk to the guy" who is concerned. Ninety per cent of these little things need explaining rather than correcting, but they will grow into big things unless you "talk to the guy."

Mr. Shefferman has had a quarter of a century of experience on the firing line. He knows the facts of labor relations, and listening to him discourse on those facts is a privilege. The conclusions to be drawn from those facts may be a matter of debate, but certainly it is helpful to have the facts before starting to debate about conclusions. If you ever have an opportunity, "talk to the guy" as he would put it, or rather, let him talk to you, and he can do it.

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*"It is important to keep firmly in mind the fundamental truth that executive judgment can be no more accurate than the information on which it is based." —ARTHUR NIELSEN.*



## Fooling Ourselves With Dollar Signs



ONE of the world's most troublesome superstitions is that our scale of living is controlled by the size of our pay checks. The events of the last seven years give us an unusual opportunity to go to the mountain top and look at the whole truth stretched out below us.

From 1939 through 1946, the average American worker's income increased from \$1269 per year to \$2357 per year—about an 80 per cent increase. These are official figures from the U. S. Department of Commerce.

With this 80 per cent raise, were we, as a nation, better off? The answer comes from the Bureau of Labor Statistics of the U. S. Department of Labor. In 1946, clothing cost 76 per cent more than it did in 1939, so we were not much better off in that respect. In 1946, house furnishings cost 77 per cent more than they did in 1939: that is very little progress. In 1946, meat, poultry and fish cost just about 100 per cent more than in 1939: we suffered a loss there.

The figures for fruits, vegetables, and other foods are about the same as the figure for meat. So far as *physical income* is concerned, we have little or nothing to show for our 80 per cent increase in dollar income.

This was largely true even under OPA. The black market charges and under-the-counter bonuses made the "official" low prices only a starting point.

What's the matter? What's the explanation? The answer is this: our material welfare is controlled by the *quantity of goods and services we produce*, not by the *quantity of dollars we receive*. If everybody's income was to be doubled

over night, nothing would change except prices—which would approximately double. The reason for this is simple when the economy is examined as a whole: *The amount we receive for producing is about the same amount we must pay when we buy what we have produced.*

On page 5 of the July, 1947, supplement to the Department of Commerce's "Survey of Current Business" there is a table of figures that demonstrates this point. (The figures are for 1939, but the year makes no difference in illustrating the principle). This table shows personal income as \$72,607,000,000 for that year. It shows personal expenditures and savings as the same amount: \$72,607,000,000. The savings, which were \$2,701,000,000 were also spent through the savings institutions receiving them, so we wind up the year taking in and paying out the same amount of money.

The way we fool ourselves with dollar signs can be proven in another way—by comparing our physical income with our dollar income. This shows that *even though dollar income has increased 500 per cent since 1900*, the volume of the things that bring a better life *did not increase with the money*. It is true that the groups who lead the procession in getting higher wages enjoy temporary advantages over the other groups, but these advantages are soon lost because prices rise and other wages must come up to meet them. *There is only one real road to better living and that road is more production.*

We will probably never get rid of the desire to increase our dollar income, but let's keep in mind that *real progress comes only with more production.*

## PRICE TAG ON HUMAN LIBERTY

*(Continued from page 17)*

per cent profit on sales; that the presidents and a few executives own our major corporations; that businessmen generally are greedy and lacking any concept of the social implication of their business. And, equally important, certain matters which employees consider of vital importance represent points of view that have never occurred to management, no matter how sincere its intentions to see and squarely face the whole problem. Too many businessmen think employees work for money alone; they fail to understand the fact that workers, too, are paid in terms of self-satisfaction for a useful job well done.

Secondly: Tell and explain how our economy works in terms of real people, working for a real company, living in a real town. Convert terms like "free enterprise," "capital," "way of life" into sharp focus by talking to employees and residents of the locality in language they comprehend about "their" company, "their" industry, "their" community. Localize, not generalize, the story.

The third premise may be simply stated thus: Explain financial facts in terms of the income-outgo dollar. Get financial facts and data on the income-outgo dollar down to bedrock so employees and the public really understand how the American business "ticks," based on their own experience with money. Present the facts in terms of wages paid the average worker, dividends in terms of money earned per share.

Good employee-management relations are being created and maintained by company meetings held monthly or on special occasions on company time, where groups usually not exceeding 200 employees are addressed by company officials (preferably the chief executive, for there is no substitute for the "boss"). Such activity provides a highly effective means of humanizing and interpreting the business and emphasizing the mutuality of inter-

ests. Meetings of this type are especially helpful when management realizes that the social-political phases of the relationships between itself and the employees are sometimes more important than the economic-financial aspects.

Maybe you don't think this problem of better understanding between labor and management is important and the need for immediate action critical. A recent Gallup poll asked a cross-section of adults in this country the simple question: "Assuming that the pay is the same, would you prefer to work for the U. S. Government or for a private company?" Believe it or not, 41 per cent preferred the Government as an employer, 40 per cent chose private enterprise and 19 per cent had no opinion. Mme. Roland, the distinguished Frenchwoman, long ago aptly stated the issue: "The feeble tremble before opinion, the foolish defy it, the wise judge it, the skillful direct it."

Slowly . . . gradually . . . world-wide economic recovery goes ahead. A start is made toward re-integrating Germany for the economic revival of the continent. The European Recovery Plan is about to be put into operation.

Against the push of Russian Communism there is one powerful source of resistance. That power is the strength of the United States. The strength of the United States is the strength of free enterprise . . . the energies . . . the initiative of free men. To exercise the fullness of its natural strength, America must remain truly free.

In the judgment of many competent observers the strength of Communism is not Communism itself but rather the weaknesses in our own democratic society. Communism, historically, has probably already received its death blow in Russia. It can be sold only in a negative way; its fondest hope after 30 years sway in Russia is that our economic system will

collapse, and amidst the chaos of such a catastrophe it will march in and take control. Actually the winning cards are in our hands; as we make our economic system better understood and more efficient we lessen any chances Communism may have to gain the ascendancy here.

The greatest story of free men is the story of America . . . its growth . . . its phenomenal advancement. It is the story of the rise of a new nation to world leadership, through the development of free institutions, in a little more than a century and a half. No system of tyranny . . . no police state...ever can match the achievements of free institutions and enterprise in this country of ours! Let free men everywhere . . . and those who aspire to freedom . . . find courage and a new faith in the story of America.

Over luncheon tables, in public meetings, in taxicabs and on street corners—in all the places where the men and women of America compare notes—we hear today much discussion of *democracy, freedom of enterprise and human liberty*.

In ordinary times these are things which Americans take for granted. We accept them as normal—as things which come to us as by some law of nature. But lately we have seen people in other countries being robbed of their freedom, and whole populations suddenly disappearing behind an iron curtain. Such events have shocked all thoughtful Americans into a realization that liberty and freedom are not rights guaranteed to us forever. They are treasures we can lose—unless we accept the obligations that go with them.

Clearly, there is a price tag on human liberty. That price is the willingness to assume the responsibilities of being free men.

Payment of this price is a personal matter with each of us. It is not something that we can get others to pay for us. To let others carry the responsibilities of freedom, and the work and worry that accompany them—while we share only in

the benefits—may be a very human impulse, but it is likely to be fatal.

The history of our country is the paramount demonstration of what can be achieved when the energies of men are released by means of freedom of opportunity. You are all familiar with the statistics of this achievement. We have more telephones, automobiles and a great host of other things than any other people in the world—more of the comforts and conveniences that mean health and prosperity and high standards of living. Furthermore, our wealth is not held narrowly by any one class. It is spread more widely than in any other society of the past or present. Everything that has happened during the past few years and continues to happen today confirms the fact that our system is more vigorous and more productive than any other in the world. We must, however, put the full power of public opinion behind our system and aggressively, continuously present our case.

Finally, let me refer to Jan Struther's apt comment that public opinion is actually the composite of many private opinions. By directing our efforts toward the people most closely concerned with each individual company's welfare—with its stockholders, its employees, its distributors and those portions of the public and governmental bodies most concerned with the use of its products—we will each be following what seems to me a sound premise: namely, that Public Relations, (what everybody in your company and my company does to earn—or lose—the public's good will), like Charity, begins at home since Public Opinion is actually the sum total of many Private Opinions.

You and I must make certain that this great nation of ours continues on its destined path of human liberty, opportunity and decency. We must, and I am certain we will, do all in our power to sell the American way of life. Freedom is everybody's job!

## POSTINGS

THE Bylaws of the Society require that applications for membership be posted at least 30 days before they are submitted to the Board of Directors or to the Executive Committee for approval. Active members desiring to comment on the following applicants should write to Eligibility Committee, Public Relations Society of America, Inc., 665 Fifth Ave., New York 22, N. Y.

### ACTIVE MEMBERSHIP

CHAMPLIN, RALPH C.—Director of Employee and Public Relations, Ethyl Corporation, New York City. *Sponsors:* Ralph S. Clark and Pendleton Dudley.

RADEBAUGH, WILLIAM H.—Executive Director, South Jersey Manufacturers' Association, Camden, N. J. *Sponsors:* Monroe Campbell, Jr., and Willem Wirtz.

SELVAGE, JAMES P.—Senior Partner, Selvage & Lee, New York City.  
*Sponsors:* Pendleton Dudley and Samuel D. Fuson.

### ASSOCIATE MEMBERSHIP

HART, RUSSELL M.—Assistant Public Relations Director of Northeast Region for Ford Motor Company, New York City.

*Sponsors:* Lansing T. Carpenter and F. Kenneth Brasted.

## PUBLIC RELATIONS SOCIETY OF AMERICA, INC.

- **ELIGIBILITY REQUIREMENTS.**
- **PROCEDURE FOR HANDLING APPLICATIONS FOR MEMBERSHIP.**

FOR the guidance of Active Members of the Public Relations Society of America, Inc., in proposing candidates for membership in the Society, the Eligibility Committee has prepared an interpretation of the membership requirements as set forth in the By-laws. The committee has also agreed upon a method of procedure for handling applications, forms for which will be distributed to all membership chairmen as soon as they are available.

The committee recognizes that neither its interpretation of Active and Associate membership nor its method of procedure is necessarily final. Experience may indicate the advisability of changes.

Since every Active Member is a potential sponsor of candidates for election to membership, it is important that you, as an Active Member, understand the qualifications for membership and that you know the procedure for handling applications. The Eligibility Committee, therefore, earnestly suggests that you read the following:

### **Eligibility Requirements**

**Active Members.** Under this heading, the By-laws provide that "individuals who are of established professional standing in the field of public relations" shall be eligible for election as Active Members. They then go on to outline the qualifications necessary for an "established professional standing." In essence they are that the candidate must have five years experience as a public relations *executive*, or as a teacher of public relations, or have had comparable experience as set forth in paragraph (f). The *five years experience qualification* is common to all of the six classifications set forth. So, too, is the *executive level requirement*.

The committee has construed this to mean:

A candidate for Active Membership must have been the executive head of a public relations operation, with or without assistants, for at least five years. For example, the head of a public relations department or firm is eligible for active membership, but a member of his staff is not unless he or she has *executive responsibilities* or has had at least five prior years of public relations *executive or teaching experience* at some time in the past. As another example, a person who has devoted the major portion of his time for at least five years to *executive work* in a specialized field of public relations—such as stockholder relations, employee relations, community relations, or publicity. An executive is one who has supervisory responsibilities or who has authority to make major decisions regarding his work.

**Associate Members.** Under this heading the By-laws provide that "Individuals professionally engaged in public relations, except those qualified for Active Membership, shall be eligible for election as Associate Members."

The committee has construed this to mean:

(1) A candidate for Associate Membership is one who has been, for at least one year and for less than five years, professionally engaged full-time in public relations work, or, (2) one who, for more than five years has been professionally engaged full-

time in public relations work but who has not had at least five years experience in public relations on an executive level.

"Professionally engaged in public relations" means employment in creative, advisory or administrative capacity in the execution of public relations work. It does not include the rendering of services such as printing, mimeographing, mailing, production of mats and related activities.

#### Procedure for Handling Application Blanks

**WHEN APPLICANT IS RESIDENT OF A CHAPTER AREA:** Two copies of application, an "Original" and "Duplicate," both signed by two Active Members as sponsors and accompanied by a letter in duplicate from each of them, are to be turned in to the local chapter. The local chapter acts on it and turns it over to the local member of the Eligibility Committee of the Society. If it has been approved by the chapter, he sees to it that it is in proper order and mails both copies to the Administrative Office with all accompanying papers and with his recommendation. If there is no question about it, as should be the case in nearly all instances, the chairman will have the application posted to the membership. If there is any question about it, either before or after such posting, the chairman will either poll the Eligibility Committee by mail or defer action until there can be a meeting of a quorum of the committee.

If an application is rejected by a local chapter, the local member of the Eligibility Committee will forward it to the Administrative Office with a report thereon so that it will be available for possible future reference.

**WHEN APPLICANT IS NOT A RESIDENT OF A CHAPTER AREA:** Two copies of the application, both signed by two Active Members as sponsors and accompanied by a letter in duplicate from each of them, are to be mailed direct to the Administrative Office.

If an application is not properly executed, the Secretary will, without referring it to the Eligibility Committee, return it for correction to the person from whom it was received. When the application is properly executed, the Secretary will refer it to the chairman of the Eligibility Committee. He will retain one copy and send the other to the member of the Eligibility Committee nearest the home or business of the applicant.

This member of the Eligibility Committee will act as a committee of one to investigate the applicant and his qualifications in accordance with the By-laws and the Committee's interpretation of them. If at all possible, the Committee member will personally interview the applicant. At any rate, he will satisfy himself, either from his own personal knowledge or by talking with others and correspondence with applicant's employers or clients, of the applicant's qualifications for membership.

The Committeeman will then return the application to the Administrative Office with his recommendation. If there is any question about it, the chairman will take such action as he deems advisable. If the application is favorably reported and there is no question about it, it will be posted to the membership.

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*"Ideas must work through the brains and the arms of good and brave men, or they are no better than dreams."*

—RALPH WALDO EMERSON, in "American Civilization."

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